

Memorandum

To: L. Massaro

Commission Clerk

From: D. R. Stearns

Rate Analyst, Division of Public Utilities & Carriers

Date: 10/24/2005

Re: Narragansett Electric: Customer Credit

Docket 3617

On October 12, 2005 Narragansett Electric Company ("Narragansett", or "Company") submitted to the Commission a request to extend through December 31, 2005, the customer credit approved in Narragansett's Distribution Rate Plan, Second Amended Stipulation and Settlement (Docket 3617).

According to the settlement, the credit is scheduled to expire November 1, 2005. The Company would perform a reconciliation and file with the Commission a request for a rate adjustment to credit customers with any remaining fund balance. The adjustment would become effective January 1, 2006.

According to Narragansett, sufficient funds remain to allow continuation of the credit for the remainder of 2005. The Company estimates the continuation would result in an under refunded balance of \$209,000 at the end of 2005.

The Division supports the Company's proposal to extend the customer credit through December 31, 2005.

Cc: Thomas Ahern,

Administrator, Division of Public Utilities and Carriers